

### Seven Hills (ID No. LRL-2013-00635-gjd)

#### Avoidance, Minimization and Mitigation:

- In addition to the 510 acres already designated as avoidance, Peabody will remove the corridors crossing the Pigeon Creek from its plan and increase the wooded buffer along the west side of Pigeon Creek to a minimum of 250 feet. This creates an additional 45 acres of avoidance and 20 acres of stream and wetland avoidance. This change eliminates impacts to the Pigeon Creek channel, further avoids higher quality PFO wetlands and provides an additional forested buffer along Pigeon Creek beneficial to existing aquatic and wildlife species.

Consistent with past permits where an ARNI and/or EIS have been requested, Peabody proposes the following mitigation plan to fully satisfy a Mitigated FONSI resolution for the Seven Hills permit.

- 2.5:1 Wetland mitigation (includes 1:1 on site and 1.5:1 off-site from an acreage standpoint)
  - Provide mitigation in the Highland-Pigeon watershed that equals the HGM FCUs of the impact site.
  - Provide the balance of mitigation for a total 2.5:1 ratio in the Highland-Pigeon or adjacent watersheds. Assumes appropriate credit is granted from the Corps of Engineers and adjacent watersheds can be utilized. High value “preferred” tree species will be utilized on all mitigation sites.
  - The mitigation can be completed as a mix of forested, scrub/shrub and emergent wetland types representative of the impact site or all completed as forested wetlands.
  - Add diversity (roughness, pools, etc.) into mitigation plan to increase the mitigation value, per agreement with the Corps.
- Lower elevations of previously reclaimed areas on the east side of Pigeon Creek as desired by the USFWS. Any wetland creation, restoration or enhancement would also count as mitigation credit.
- Stabilize and repair drainages connecting the wetlands to Pigeon Creek to prevent further head-cutting into the wetlands.
- At the completion of mining, Peabody will undertake removal of the “levee” along the west side of Pigeon Creek to enhance the connectivity and overbank flooding into the wetlands. This will be completed in strategic areas in coordination with the Corps of Engineers and the USFWS and in a manner that minimizes disturbance to existing trees. Some tree removal will be necessary.
- Add Copperbelly watersnake habitat enhancements in the reclamation/mitigation plans.
- Conduct upstream and downstream sampling for Nutrients pre, post and during mining. Concerns from impacts to Nutrient filtering have been expressed by USEPA.
- Place a Conservation Easement on a 20 acre tract of property identified as an Indiana Bat roost tree in a survey from 2008. This is located approximately 3 miles south of the mining area.
- Maintain and protect a wooded corridor along the west side of Pigeon Creek of at least 250’ in width.
- Protection and enhancement of additional high value properties owned by Peabody in the corridor, pending agreement with the Corps of Engineers on appropriate mitigation credit.